

State Employer Paid Benefit Costs

Fiscal Year 2005

FIXED BENEFITS - per eligible employee:

| | <u>Annual Cost</u> | <u>Monthly</u> |
|--|--------------------|-----------------|
| Health Insurance (medical and dental) | \$6,264.00 | \$522.00 |
| Flexible Spending Account (FSA) | \$2.00 | \$0.17 |
| Group Insurance Administrative Budget | \$36.00 | \$3.00 |
| Retiree Health Insurance Subsidy | \$96.00 | \$8.00 |
| Integrated Behavioral Health Plan (IBHP) | \$95.00 | \$7.92 |
| TOTAL FIXED BENEFITS | \$6,493.00 | \$541.08 |

VARIABLE BENEFITS - % of Gross Salary:

| | |
|---|------------------------|
| FICA - Social Security | 6.20% (to \$88,350) |
| FICA - Medicare | 1.45% |
| Unemployment Insurance (Idaho Code §72-1301) | 0.36% |
| Life Insurance | 1.10% |
| Retirement - regular rate (Idaho Code §59-1301) | 10.39% |
| Other Rates: police officers and fire members 10.01% | |
| Unused Sick Leave (Idaho Code §67-5339) | 0.65% |
| (benefit = 1/2 sick leave balance, up to 600 hours, multiplied by the hourly rate at retirement to purchase health insurance) | |
| Div. of Human Resources (Idaho Code §67-5314) | 0.62% |
| Only agencies with classified employees pay the Div. of Human Resources rate | |
| Average Workers Compensation Rate (Idaho Code §41-1601) | 1.21% |
| Workers Compensation rates vary by agency | |
| TOTAL VARIABLE BENEFITS | 21.98% x salary |

Example: Employer Paid Benefits

| | <i>low end</i> | <i>middle</i> | <i>high end</i> |
|---|-----------------|-----------------|-----------------|
| <i>Hourly rate</i> | \$7.80 | \$16.65 | \$32.18 |
| <i>Annual Salary (hourly rate x 2080 hours)</i> | \$16,224 | \$34,632 | \$66,934 |
| <i>Fixed Benefits (Health Insurance)</i> | \$6,493 | \$6,493 | \$6,493 |
| <i>Variable Benefits (21.98 % x salary)</i> | \$3,566 | \$7,612 | \$14,712 |
| <i>Total</i> | <i>\$26,283</i> | <i>\$48,737</i> | <i>\$88,140</i> |
| <i>Ratio of Benefits to Annual Salary</i> | 62% | 41% | 32% |

Other benefits:

(1) Paid Holidays = 10 days (Idaho Code §67-5302(13) and §59-1607(1))

(2) Sick Leave = 96 hours per 2080 hours or about 12 days per year. (Idaho Code §67-5333 and §59-1605)

(3) Vacation time based on credited state service. About 12 days/year for first 5 years, 15 days/year for next 5 years, 18 days/year for next 5 years, and 21 days/year thereafter. (Idaho Code §67-5334 and §59-1606)

(4) As part of the Gain Sharing program (whereby excess investment gains from the PERSI defined benefit fund are distributed to employees, employers, and retirees), the Choice Plan was also established as an optional defined contribution 401(k) plan open to all members who are eligible. The Choice Plan is in addition to, and separate from, the mandatory defined benefit retirement plan. (Idaho Code §59-1308) NO EMPLOYER CONTRIBUTION.

(5) 457 deferred compensation plan offered through the Public Employee Benefit Services Corporation (PEBSCO). NO EMPLOYER CONTRIBUTION.

State Employee Paid Benefit Costs

Fiscal Year 2005

MONTHLY PREMIUM RATES:

| Provider | Employee Only | Employee + spouse | Employee + child | Employee and 2+ children | Employee + spouse + child | Employee + spouse & children |
|---------------------|---------------|-------------------|------------------|--------------------------|---------------------------|------------------------------|
| Blue Cross PPO* | \$23 | \$59 | \$38 | \$53 | \$72 | \$80 |
| Vision Service Plan | \$0 | \$2 | \$3 | \$3 | \$4 | \$6 |
| Delta Dental | \$4 | \$25 | \$21 | \$33 | \$37 | \$43 |
| Total | \$27 | \$86 | \$62 | \$89 | \$113 | \$129 |

*Blue Cross traditional plan costs slightly more than PPO; over 63% of enrollees are in the PPO.

VARIABLE BENEFITS - % of Gross Salary:

| | | |
|---|---------------|-----------------|
| FICA - Social Security | 6.20% | (to \$88,350) |
| FICA - Medicare | 1.45% | |
| Unemployment Insurance (Idaho Code §72-1301) | 0% | |
| Life Insurance | optional | |
| Retirement - regular rate (Idaho Code §59-1301) | 6.23% | |
| Other Rates: police officers and fire members 7.65% | | |
| Unused Sick Leave (Idaho Code §67-5339) | 0% | |
| Div. of Human Resources (Idaho Code §67-5314) | 0% | |
| Average Workers Compensation Rate (Idaho Code §41-1601) | 0% | |
| TOTAL | 13.88% | x salary |

Example: Employee Paid Benefits

(Employee, Spouse and Children Plan with vision and dental)

| | <i>low end</i> | <i>middle</i> | <i>high end</i> |
|--|-----------------|-----------------|-----------------|
| <i>Hourly rate</i> | \$7.80 | \$16.65 | \$32.18 |
| <i>Annual Salary (hourly rate x 2080 hours)</i> | \$16,224 | \$34,632 | \$66,934 |
| <i>Fixed Benefits (Health Insurance)</i> | (\$1,548) | (\$1,548) | (\$1,548) |
| <i>Variable Benefits (13.88% x Salary)</i> | (\$2,252) | (\$4,807) | (\$9,290) |
| <i>Total</i> | <i>\$12,424</i> | <i>\$28,277</i> | <i>\$56,096</i> |
| <i>Ratio of Employee Paid Benefits to Salary</i> | 23% | 18% | 16% |

SELECTED INFORMATION ON IDAHO GROUP MEDICAL/IBHP PLAN

- > FY 2005 estimated cost per employee per year:
 - \$6,205 (state contribution only)
 - \$1,548 (employee contribution for employee and family coverage)
 - \$1,038 (employee contribution for employee and spouse)
 - \$327 (employee contribution for employee coverage only)
- > FY 2004: 18,200 active employees and 23,000 dependants enrolled in Medical Plan
- > FY 2004: Cost of the active Employee Plan: \$111.4 million (state's share)